Leading Through a Layoff: Three Actions for Effective Leadership

by Kay M. Bower

Does this sound familiar? The company is cutting IT spending again, resulting in lay-offs. The diminished investment in IT is forcing those who remain to do more with less. The attitude of people in IT is marked by stress, worry and doubt. How do I lead through this time of difficulty and adversity? In this article, I seek to answer that question and provide some action steps every leader should consider to bring about a positive work environment and lead effectively through difficult circumstances.

Results from *Information Week's* State of the Economy Survey (Kolbasuk McGee & Soat, 2008) show that 69% of participating companies will not increase IT spending this year. Of the companies with annual revenue of more than $500 million, a full half say they are decreasing IT spending relative to their original 2008 budgets. If your company, like mine, is in the 50% that's reducing IT spending, you are most likely reducing in some of the same areas we are: slowing or halting infrastructure investment, seeking opportunities to outsource and rejecting all IT projects that do not have a strong ROI. Changes such as these frequently result in reductions in personnel. Given such an environment, it is not surprising that 30% of IT workers participating in the survey characterize their general mood as "fear and loathing."

The IT organization I work for is no different. With the economy slowing and investment in our company's products and services under ever-increasing competitive pressures, the business needs significant reductions in spending for IT now. To provide those spending reductions, we are laying off personnel.

In this difficult, emotional, stress-filled environment, what are the most important tasks that I as a leader can do? I need to focus my attitude and actions, establish an environment of peace and

keep moving forward. These three actions are those I choose from many leadership strategies to help me lead effectively in difficult times. These actions form the basis for positively impacting those around me and establishing an environment of collaboration and opportunity that can move our resources from fear and loathing to trust and achievement.

Focusing My Attitudes and Actions

The very first challenge I face as a leader in a situation of layoffs and reduced IT budget is to get my own attitude tuned up. I need to acknowledge the emotions I feel in the situation and work to address the causes of those emotions, so that I can move through them and help others do the same.

My peers in management and I sought for weeks to find solutions to reduce IT spending and avoid layoffs. We could not and so were required to "rank list" our team members and make recommendations for which one(s) should be included in the layoffs. When I first did this, I felt angry and helpless. Yet, if I want to be a leader, I have to accept that there will be decisions that need to be made for the good of the overall organization that not only negatively impact me and my team, but that I as a leader must represent and support.

As I acknowledge the seriousness of the financial and competitive pressures on the company and my role as a leader, I accept the reality that this is a strategic decision that I cannot change. Learning about the economic conditions; understanding our new financial goals; and working through the layoff decision are the first steps on the path to acceptance. Making sure the very best decisions are made with regard to who will be laid off moves me further down the road to dealing with my negative emotions.

Eliminating members of a team is never easy or enjoyable. As I work through this issue, I seek to assure those being laid off will be appropriately cared for and that provisions from the company (e.g., severance pay, outplacement workshops and services) are the best possible. Knowing each person is supported and provided for, with access to extensive severance and company-provided outplacement services, further helps me overcome the difficult emotions that losing people produces.

My last step in focusing my attitude is to get busy serving others. While there are many ways to serve others, my focus during difficult circumstances is to increase my activities of communicating and listening. As the rumors swirl and tension and stress rise, every act of communicating and listening that I perform tells those around me that they matter as people as well as members of the organization, that I value them and that I care.

Communicating means sharing as much information as early as possible as often as possible. I need to stay connected to everything senior management is communicating and ensure that those around me tune in as well. I need to provide as much insight as possible into what will happen and when. I need to step up my management by walking around, finding opportunities to encourage and build up my team members, peers and management. I need to hold team meetings and let people ask whatever questions they have and do my best to answer them authentically and responsibly. I need to also acknowledge to team members what I cannot tell them, being responsible to the company as well as to those around me.

Listening means I must maximize my "open door" time as much as possible so that those around me know I am there for them whenever they might need to ask questions, talk something through or just vent a bit more emotion. As I listen, I work to actively engage without judging or criticizing. I must refrain from telling people how to feel and instead listen for what I can do to help them deal with how they feel and move forward. I also need to "listen" to what is not being said, tuning in to the expressions, attitudes and non-verbal communication that are occurring. I need to, at least for a time, minimize my electronic, non-interactive communication methods and seek personal connection through face-to-face encounters.

Establishing an Environment of Peace

As a Christian, my peace comes from knowing God and relying on His love for me to be the foundation on which all else rests. I have been laid off in the past and have learned that God's presence and guidance is sufficient to see me through any storm, including involuntary loss of employment. Starting from this "calm center," I actively model this assurance in God's goodness and caring and am freed to engage in creating an environment of peace in the workplace. As I work to communicate and listen, I also begin the process of establishing peace, working to help people to deal with the situation in a positive manner. I am also working to establish an atmosphere of trust.

As folks learn that they will hear the truth from me as soon as I can share it, the anxiety and stress around what will happen and when begins to lessen. When the layoffs are accomplished, those around me have tangible evidence that I told them the truth. Establishing truthful relationships builds trust; having a trustful organization helps to lessen the stress, worry and anxiety people are feeling, contributing to making peace part of the workplace.

Unity is another element of a peaceful workplace environment. On the surface, going through a layoff would seem to destroy unity. People feel that those they have relied on have let them down. There is an opportunity here to build stronger unity, if care is taken. I do not want to foster an "us versus them" unity, where the team "closes ranks" against other teams or the larger organization. Instead, I want to foster the type of unity that honors the values of the team and the work contributions of everyone, including those that have been laid off. I also seek to get the team to acknowledge that the actions of leadership are not about being hurtful, but about finding ways to keep the organization viable. Honoring everyone's contribution and re-affirming the value of each member of the team means I model and encourage others to move in acceptance and support and competent conflict management.

Conflict is not always the enemy of unity; it can be a contributor to unity. The capture of everyone's input must be partnered with active engagement that seeks to value differing opinions, views and goals as opportunities to find innovation and growth. I must establish an environment of peace by accepting conflict as the natural result of bringing a diverse team of individuals together. As I respond to folks as they are, and not as I want them to be, as we actively work together to move through the emotions and get to the facts and opportunities presented, we learn to see conflicting input and ideas as valuable and worthwhile. Finding that their input matters and that we will work together using our diversity and conflict as positive inputs, brings the team together and builds unity.

A peaceful work environment is a place where mistakes are viewed as opportunities. Just like conflict handled competently can identify innovation and new possibilities, so too can mistakes. When someone makes a mistake, I model looking for the learning and identifying the possibility for improvements or innovations. Of course, we must deal appropriately with the consequences of our mistakes, but these are often opportunities to learn, improve, build relationships and innovate from our mistakes. Focusing on mining these positive elements from our mistakes helps everyone on

the team know that they will be supported and encouraged through mistakes. This contributes to the building of trust, unity and the work environment of peace.

Moving Forward

Building on the previous two actions, I seek to get my team members focused on moving forward. This is not a callous or calculated decision to ignore what has happened or the fallout from those events, but rather the next step in overcoming our difficulties. While we may have fewer resources, there are still projects that need to be completed and goals that must be achieved. As a result, opportunities can be identified and leveraged for the good of the organization and the people. In our current situation, there are two significant opportunities to move forward. The first is the establishment of global teams. The second is mentoring.

Establishing global teams presents a unique and previously unexplored area of potential growth for our IT organization. Before the layoffs, our global organization had sufficient resources, budget and people to remain regionalized. In other words, each country's IT group could afford to focus just on their own country, with limited need to interact with or collaborate globally. Now that we have reduced budgets and people, we are being forced to evaluate ways to work together, standardizing processes, solutions and services globally. While a significant challenge, the establishment of global teams means individual resources have the opportunity to participate in work anywhere it occurs as they are no longer "bound" by the work available only in their geographic region. If one region has lots of work and few resources, while another has "extra" resources without sufficient work, these two issues are resolved and resources are leveraged appropriately. Thus, we offer new opportunities for work and for the development of our people that were not available to us before the layoffs. Working globally also increases resource visibility across the global organization, providing opportunities to contribute and establish relationships throughout the organization.

Establishing standardized processes, solutions and services means we eliminate unique and redundant solutions and increase our ability to deliver and support those solutions and services that remain. Each IT group will use the same processes, standardizing how we interact with and present to our customers. As a result, we also maximize our ability to increase customer satisfaction as our standardized processes create a "single experience" for all our customers.

Our focus on working globally means we have better resource flexibility; more opportunities for resources to work together; a more focused portfolio; and a single customer experience that eliminates confusion due to conflicting processes and inputs defined and used by the previously regional IT teams. Combined, all of these factors give us something we will need for the future – reduced IT costs without additional resource reductions.

We cannot effectively establish global teams without working to enhance the capabilities and skills of our employees. While training can provide to IT resources the technical skills they require, the capabilities, those crucial "soft skills" my employees need, must be developed. I have always tried to mentor those around me. However, my approach is ad hoc, catch-as-catch can. I try to do what I can for each member of the team whenever I can. The culture of our IT organization and our goals to establish a single, global IT group drives a need for continuous learning and personal development if employees are to remain relevant contributors. Establishing a formal program to provide for that learning and development can deliver the necessary relevance and build into the organization leaders that know how to continuously learn and develop.

A formal mentoring program is essential because it can have such a positive impact on knowledge, experience, relationships and advancement through the organization for our resources. Second, a formal program is a commitment that demonstrates we see our employees as valuable, that we are willing to invest in their development, that we want them to identify goals and pursue those goals and that we will help them to achieve those goals. Third, mentoring enhances the self-directed nature of each person's career, helping them develop a forward-thinking, future orientation that builds enthusiasm and encourages each person to see themselves not just as what they are today, but to envision what they can become.

As a leader in this new global organization, I must encourage team members to think through what is important to them and the organization, what they want to achieve and the contribution they want to make. Then we work together to chart the path of stretch goals, new opportunities, challenging assignments and personal development needed to make the goals a reality. Within the context of the global organization, such opportunities are increasing. That generates good feelings and an excitement, and contributes to the development of a positive attitude and peaceful work environment.

While the familiar scenario of cutting IT spending and the resulting layoffs creates a difficult and negative work environment, there are action steps I have discovered that can help me to be effective in leadership and identifying and pursuing opportunities for growth and change for my team members and our global IT organization. The actions of focusing attitudes and actions, establishing an environment of peace and continuing to move forward help me lead effectively in difficult times.

About the Author

Kay Bower is a leader with experience in all aspects of information technology. She is currently responsible for quality, legal and regulatory compliance, internal controls and process management for a divisional information technology group within a large, multi-national firm. Kay has 24 years of work experience in manufacturing and consulting within the IT profession and is seeking to broaden her leadership knowledge, skills and effectiveness through attainment of the Doctor of Strategic Leadership degree from Regent University's School of Global Leadership & Entrepreneurship.

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